

IN THE UNITED STATE DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
DEL RIO DIVISION

UNITED STATES OF AMERICA
FOR THE USE OF
STRONG STRUCTURAL STEEL,
LTD.

Plaintiff,

V.

LGC GLOBAL, INC. and WESTPORT
INSURANCE CORPORATION,

Defendants

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CIVIL ACTION NO. 2:22-CV-00022

PLAINTIFF'S ORIGINAL COMPLAINT

TO THE HONORABLE JUDGE OF THE UNITED STATES DISTRICT COURT:

The United States of America for the use of STRONG STRUCTURAL STEEL, LTD. brings this action complaining of Defendants LGC GLOBAL, INC. and WESTPORT INSURANCE CORPORATION.

1.0 PARTIES

1.1 STRONG STRUCTURAL STEEL, LTD. ("Strong") is a limited partnership duly formed and existing under the laws of the State of Texas. Strong Structural Steel, Ltd.'s primary place of business is in Pharr, Hidalgo County, Texas.

1.2 LGC GLOBAL, INC. ("LGC") is a is a corporation duly incorporated pursuant to the laws of the State of Michigan. LGC Global, Inc. may be served with process by serving its registered agent, Shashidhar Shastri at 7310 Woodward Ave., Suite 500, Detroit, MI 48202.

1.3 WESTPORT INSURANCE CORPORATION ("Westport") is a corporation duly incorporated pursuant to the laws of the State of Missouri. Westport is authorized to do business

in Texas and can be served with process by serving its registered agent for service: CT Corporation System, 1999 Bryan Street, Suite 900, Dallas, TX 75201-3136.

2.0 JURISDICTION & VENUE

2.1 This Court has exclusive jurisdiction pursuant to 40 U.S.C. § 3133(b) (the "Miller Act"), as this suit is based upon a claim for materials and labor supplied to a prime contractor for the construction, alteration, or repair of a public building or public work for or on the property of the United States.

2.2 Venue of this action is proper in the United States District Court for the Western District of Texas, Del Rio Division, pursuant to 40 U.S.C. § 3133(b)(3), because the construction project made the basis of this action was located therein. Further, a substantial part of the events or omissions giving rise to Strong's claims occurred within the District. Accordingly, venue of this action is proper herein pursuant to 28 U.S.C. § 1391.

3.0 CAUSE OF ACTION BASED ON MILLER ACT

3.1 Pursuant to 42 U.S.C. § 3131, commonly known as the Miller Act, before any contract exceeding \$100,000 for the construction, alteration, or repair of a public building or public work for or on the property of the United States is awarded to any person, such person shall furnish a payment bond for the protection of all persons supplying labor and material in the prosecution of the work provided in said contract for the benefit and use of the persons so supplying labor and material.

3.2 Heretofore, the United States Army Corps of Engineers ("USACE") awarded a construction contract to LGC Global, Inc. for the Del Rio and Eagle Pass Border Wall project. Said project was in excess of \$100,000.00 and was the construction, alteration, or repair of a public building or public work for or on the property of the United States.

3.3 As required by the Miller Act, LGC as principal, and Westport as surety, executed a payment bond for the use and benefit of all persons supplying labor and materials in the prosecution of the work provided in the contract. Strong supplied labor and material in the prosecution of the work provided in the contract and, therefore, is a payment beneficiary. On January 23, 2021, USACE advised LGC that work under LGC's contract had been suspended and on January 24, 2021, Strong received a letter from LGC advising Strong of this suspension. The suspension placed Strong in a "standby" status and Strong continued in this status until it received a letter from LGC advising him that the contract had been terminated by the Government on May 1, 2021. During the period of suspension and until termination of May 1, 2021, Strong incurred additional costs of standby labor and material storage.

3.4 LGC, as prime contractor, awarded a subcontract to Strong and Strong furnished labor, equipment and materials pursuant to such subcontract. Despite multiple demands for payment, LGC failed to pay Strong in the amount of \$412,433.42 for the labor, equipment and materials that Strong supplied to the project.

3.5 Pursuant to 40 U.S.C. § 3133(b)(3) Strong first provided notice of its claims to LGC and demanded payment on April 2, 2021. See **Exhibit A** attached hereto and incorporated by reference for all purposes. Strong sent a second and supplemental notice letter to LGC on August 2, 2021. See **Exhibit B** attached hereto and incorporated by reference for all purposes. Strong sent a third and supplemental notice letter to LGC on April 27, 2022. Such third and supplemental notice corrected a previously erroneous Application for Payment, credited a payment for material made directly to Strong's steel supplier and added the standby labor and material storage costs. See **Exhibit C** (notice letter without exhibits) attached hereto and incorporated by reference for all

purposes Despite Strong's repeated demands, LGC and Westport have refused to pay Strong's claims.

4.0 REQUEST FOR RELIEF

WHEREFORE, Plaintiff the United States of America for the use of STRONG STRUCTURAL STEEL, LTD, prays that it have judgment of and from Defendants LGC GLOBAL, INC and WESTPORT INSURANCE CORPORATION, jointly and severally, and for such sum of \$412,433.42 plus interest, attorney's fees, costs, expenses and for such other and further relief to which Plaintiff may show itself justly entitle, at law or in equity.

Respectfully submitted,

/s/Jack R. Stern

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